

Information Request AG-3-9

Refer to Exhibit NSTAR-HCL-7, page 29. Please provide all analyses, studies, calculations and assumptions supporting the Companies' decision to submit new standby tariffs that "reflect an as used demand charge for standby service for customers having DG units" because that recognizes the load diversity at the substation level. If no NSTAR specific studies, analyses or data were relied upon, please explain how the material and documents used have been shown to be representative of each of the Companies' systems.

Response

The Companies based the decision to incorporate an "as used" demand charge in their standby tariffs to recover distribution substation costs in accordance with their planning process, as presented in the testimony of Mr. Salamone, which describes the way the Companies plan substation capacity additions. The Companies used the proportion of substation plant investment to total distribution capacity investment to determine the reduction in contract demand prices in order to reflect recovery of substation costs on an "as used" pricing basis.